

AGENDA ITEM NO. 1 OF 6/27/12

STATEMENT OF PROCEEDINGS FOR THE REGULAR MEETING OF THE CITY OF HUNTINGTON PARK OVERSIGHT BOARD

CITY OF HUNTINGTON PARK
CITY COUNCIL CHAMBERS
6550 MILES AVENUE
HUNTINGTON PARK, CALIFORNIA, 90255

Thursday, June 7, 2012

3:30 PM

I. CALL TO ORDER

Chair Guerrero called the meeting to order at 3:45 p.m.

II. ROLL CALL

Present: Chair Elba Guerrero, Board Members: Eduardo Adame, Yolanda Duarte, Luis Buendia (arrived at 4:13), Richard Verches and Albert Fontanez

Absent: Vice Chair Michelle Cervera

III. ADMINISTRATIVE MATTERS

1. Recommendation: Approve the Statement of Proceedings for May 17, 2012. (12-2490)

Ayes: 3 - Chair Guerrero, Board Member Adame and Board Member Duarte

Abstentions: 2 - Board Members: Verches and Fontanez

Absent: 2 - Vice Chair Cervera and Board Member Buendia

IV. RECOMMENDATIONS

2. Review and discuss the Successor Agency Administrative Budget and Project Delivery Costs for the January 1, 2013 to June 30, 2013 ROPS. (Continued from the meetings of 5-3-12, 5-17-12 and 6-7-12) (12-1899)

Elba Padilla, Finance Director, City of Huntington Park, presented an overview of the Successor Agency Administrative Budget and responded to questions posed by the Board.

Board Members Verches and Adame requested the Successor Agency to provide details and break down of staffing salaries. In addition, the Board requested clarification on the estimated \$190,000 in legal fees and how the amount was determined. The Board also requested details on the legal

and agency fees and if the legal fees are part of the Administrative Budget.

Following discussion, it was determined by the Board that documentation was needed to support the total salaries and other expenses listed on the January - June 2012 and July - December 2012 Administrative Budget .

By Common Consent, there being no objection (Vice Chair Cervera and Board Member Buendia being absent), this item was continued to June 27, 2012.

Ayes: 5 - Chair Guerrero, Board Member Adame, Board Member Duarte, Board Member Verches and Board Member Fontanez

Absent: 2 - Vice Chair Cervera and Board Member Buendia

V. DISCUSSION ITEMS

3. Status report on the Department of Finance response to the Former Agency's Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2012 through June 30, 2012 and July 1, 2012 through December 31, 2012. (12-2625)

Elba Padilla, Finance Director, Huntington Park provided an overview of the response received from the Department of Finance (DOF) regarding the Recognized Obligation Payment Schedule (ROPS) for the periods of January 1, 2012 through June 30, 2012 and July 1, 2012 through December 31, 2012. Ms. Padilla received a letter dated May 25, 2012 from the DOF approving the items listed on both ROPS with the exception of the following line item and administrative expenses:

January to June 2012 ROPS – Line Item no. 18, on page 5 in the amount of \$42,000. Health and Safety Code (HSC) Section 34177 prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011 - No contract was provided to the DOF.

July to December 2012 ROPS - Administrative expenses in the amount of \$6,615. HSC Section 34171 (b) limits administrative expenses for 2012-13 3% of property tax allocated to the Successor Agency or \$250,000, whichever is greater. Three percent of the property tax allocated is \$218,890. Therefore, \$6,615 of the claimed \$256,615 administrative costs on page 4 is not an enforceable obligation.

Board Member Adame inquired why the County's deferrals were not included in the ROPS. Ms. Padilla explained that the County does their own calculations and there was no need to include them in the ROPS.

Following discussion, by Common Consent, there being no objection (Vice Chair Cervera and Board Member Buendia being absent), the item was received and filed.

- 4.** Request the Successor Agency to provide documentation of all encumbered and unencumbered Low and Moderate Housing Funds. (Continued from the meetings of 5-3-12 and 5-17-12) (12-1897)

Elba Padilla, Finance Director, Huntington Park provided an oral report and responded to questions posed by the Board.

During discussion, the Board asked for clarification on the contracts and requested additional documentation reflecting current and past activities. In addition, the Board stated that the graffiti contract needs to be current as there is a discrepancy on dates and timelines.

Chair Guerrero further instructed the Successor agency to include Vice Chair Cervera's request from the May 17, 2012 meeting to "incorporate findings with the Administrative Budget and provide supporting documentation."

By Common Consent, there being no objection (Vice Chair Cervera and Board Member Buendia being absent), the item was continued to June 27, 2012.

- 5.** Report by the Successor Agency on the sufficiency of cash flow. (Continued from the meetings of 5-3-12, 5-17-12 and 6-7-12) (12-1898)

Elba Padilla, Finance Director, Huntington Park, provided an overview of the Cash Flow chart disseminated to the Board and responded to questions posed by the Board.

During discussion it was discovered that the Pass Through Payments breakdown were not included in the current Recognized Obligation Payment Schedule. The Successor Agency was requested to provide documentation and detailed calculations for the Pass Through Payments.

By Common Consent, there being no objection (Vice Chair Cervera and Board Member Buendia being absent), the item was continued to June 27, 2012.

- 6.** Initiate process for retaining Legal Counsel services. (Continued from the meetings of 4-25-12, 5-3-12 and 5-17-12) (12-1802)

Jack Wong, Successor Agency staff, provided an overview of the staff report disseminated to the Board and responded to questions posed by the Board.

Board. Mr. Wong provided a draft outline of the Scope of Work for legal services and recommended that the Board review and approve the draft Request for Proposal and authorize staff to begin the recruitment process for Oversight Board legal counsel.

On motion of Board Member Duarte, seconded by Board Member Verches, duly carried by the following vote, the Oversight Board instructed the Successor Agency to send out Request for Qualifications to various law firms on Monday, June 11, 2012 with a time frame for law firms to respond by June 21, 2012 and approved the Successor Agency's Request for Qualifications with the following changes:

- **Under Scope Services, the first line should read "The scope of services of the Legal Counsel would include, on as needed basis, but is not limited to the following:"**
- **Under the Oversight Board members are as follows: remove the name Richard L. Rodriguez, and replace with Yolanda Duarte.**

Ayes: 6 - Chair Guerrero, Board Member Adame, Board Member Duarte, Board Member Buendia, Board Member Verches and Board Member Fontanez

Absent: 1 - Vice Chair Cervera

- 7.** Request the Successor Agency to remit unencumbered fund balances to the Los Angeles County Auditor-Controller for distribution to the taxing entities, including the unencumbered balances of Low and Moderate Income Housing Funds. (Continued from the meetings of 5-3-12, 5-17-12 and 6-7-12) (12-1900)

By Common Consent, there being no objection (Vice Chair Cervera being absent), the Board continued this item to June 27, 2012.

- 8.** Consideration of the next date, time and location of the regular meeting of the Oversight Board. (12-2527)

By Common Consent, there being no objection (Vice Chair Cervera being absent), the Oversight Board scheduled the next regular meeting for Wednesday, June 27, 2012 at 3:30 p.m. in the City Council Chambers.

VI. MISCELLANEOUS

9. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-2524)

There were no matters presented for a future agenda.

10. Public comment. (12-2525)

There was none.

11. Adjournment. (12-2526)

The meeting was adjourned at 5:14 p.m. The next meeting of the Board is scheduled for Wednesday, June 27, 2012 at 3:30 p.m.